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Sent: Friday, August 22, 2008 12:03 PM
To: 'dcameron@senate.idaho.gov'
Cc: Schultz, Richard H. - CO 10th; Clement, Leslie - Medicaid; 'pparker@lso.idaho.gov'
Subject: follow-up

Senator Cameron:

Thank you for giving me the opportunity to present an update on the CHIP B, Children's Access Card, Small Business Access to Health Insurance, and Healthy Schools programs. Below please find responses to the questions you raised during my presentation. Please do not hesitate to contact me should you have any further questions.
Paul

Question 1 - What was spent on marketing last year? I heard that we could spend up to 5% on marketing - is that true?

Answer -

Answer - The Department relies on community partners and private companies to conduct marketing. "Marketing" includes activities such as radio announcements and TV advertisements which the Department hasn't used since the first years of CHIP. There were legislative concerns expressed at that time (legislative intent) that marketing was not the appropriate role of the Department. The CHIP State Plan was changed to remove marketing from the activities Idaho performed. The Department has instead focused on outreach activities. These "outreach" activities include working to reduce administrative barriers related to the application process and some targeted efforts to reach the uninsured, but eligible populations. Historically, this outreach work has also included working with schools in "Back-to-School Nights", working with our Healthy Connections providers and participating in community events where brochures and information could be disseminated to interested families. Total CHIP administrative costs are limited to 10% of overall CHIP program costs. Last year, we spent \$4.2 million in administrative costs. Related outreach costs reflected the smallest percentage of this total cost - well under 1% of the total administrative costs. Our outreach costs included the printing and distribution of new brochures and posters (sent to community partners, physician offices, schools), the development and printing of a new "children's only" application, and a targeted mailing of applications to children in the WIC program who appeared to be eligible but were not on CHIP. Other administrative costs include staffing and operational costs of administering the CHIP, Access Card, and Access to Health Insurance programs. The Healthy Schools program, at a cost of \$350,000 was also funded through these administrative costs.

Question 2 - When did we start utilizing the Premium Tax Fund for the CHIP B program?

Answer - The money from the Premium Tax has always been used to provide the state share for the CHIP B program (part of the Children Health Insurance Access Card legislation) - CHIP A state share funds come from the general fund.

According to Idaho Code § 56-242 (2)(a) CHIP B is subaccount included in the statute for Idaho Health Insurance Access Card. This statute also talks about establishing three specific subaccounts for CHIP B, the Children's Access Card, and the Small Business Health Insurance program.

TITLE 56

PUBLIC ASSISTANCE AND WELFARE

CHAPTER 2

PUBLIC ASSISTANCE LAW

56-242. IDAHO HEALTH INSURANCE ACCESS CARD. (1) The director shall develop an Idaho health insurance access card program in the department to implement the children's access card program and the small business health insurance pilot program.

(2) (a) There is hereby created and established in the state treasury a fund to be known as the "Idaho health insurance access card fund." Moneys in the fund shall be maintained in three (3) subaccounts, identified respectively as the "CHIP Plan B subaccount," the "children's access card program subaccount" and the "small business health insurance pilot program subaccount." Appropriations, matching federal funds, grants, donations and moneys from other sources shall be paid into the fund. The department shall administer the fund. Any interest earned on the investment of idle moneys in the fund shall be returned to and deposited in the fund.

(b) Moneys in the CHIP Plan B subaccount, the children's access card program subaccount and the small business health insurance pilot program subaccount shall be expended pursuant to appropriation for the payment of benefits and capped administrative costs of the department.

(3) The director shall apply for waivers of federal title XXI and title XIX to subsidize health care coverage under the CHIP Plan B, the children's access card program and the small business health insurance pilot program. Federal matching funds received by the department to provide coverage under CHIP Plan B, the children's access card program and the small business health insurance pilot program shall be deposited in the appropriate subaccount.

(4) The director is authorized to promulgate rules recommended by the board of the Idaho high risk reinsurance pool to implement the CHIP Plan B, the children's access card program and the small business health insurance pilot program.

(5) Insurers offering health benefit plans regulated under chapter 47, title 41, Idaho Code, shall accept payment for such plans under the small business health insurance pilot program pursuant to rules promulgated by the department. Insurers offering health benefit plans, as defined in section 56-238, Idaho Code, shall accept payment for such plans under the children's access card program.

(6) The CHIP Plan B and the children's access card program shall be implemented by July 1, 2004. Implementation of the small business health insurance pilot program shall begin on July 1, 2005.

Question 3 - The foot notes show a change in how the premium tax receipts are prorated. Why has this occurred? Was there any legislative direction to do so?

Answer - The changes reflect the historical utilization of the premium tax receipts for each of the programs - CHIP B, Children's Access Card, and Small Business Access to Health Insurance. This is in keeping with the direction in Idaho Code § 56-242(2)(b) - (see above).

Question 4 - What is reflected in the change in balance from year to year? Is the amount of Premium Tax Receipts going into the fund decreasing?

Answer - The fund balance for each year reflect the balance in the fund at the beginning of the year, less the dollars utilized for the state's share to cover benefits and administrative costs for the CHIP B, Children's Access Card, and Small Business Access to Health Insurance programs, plus the new Premium Tax fund receipts for that year, plus any other adjustments such as earned interest on the account.

The actual amount of Premium Tax Receipts going to this fund are estimated to decreased in 2008 compared to the previous year. In 2008 Premium Tax Receipts are estimated to be \$2,881,200 compared to \$3,628,500 in 2007.

Paul Leary

Division of Medicaid

My e-mail address changes to learyp@dhw.idaho.gov effective January 1, 2007

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